

NEW SOVIET CONSUMER GOODS POLICY

Change from Stalinist policy

- New measures are underway to increase production and distribution of consumer goods.
- But predominant emphasis on heavy defense industries continues.

Immediate measures to implement new program

- Immediate measures already taken include:

(1) Increased imports of consumer goods:

- butter from Denmark and the Netherlands.
- fish from Iceland and Norway.
- meat from Australia and New Zealand.
- textiles from France and Belgium.

(2) Withdrawals from reserves.

- These appear smaller in volume than imports, but withdrawals of a number of consumer items have increased in frequency.

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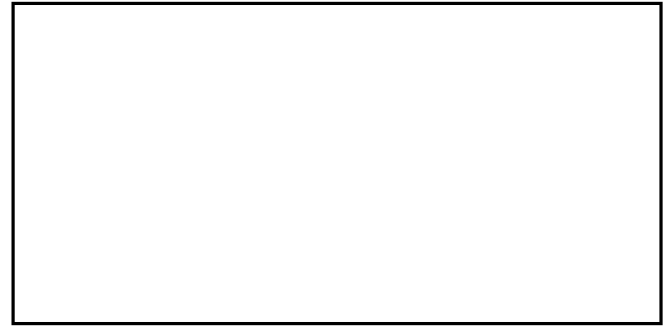
Additional
measures now
underway

- Additional consumer goods will come mainly from increased domestic production.
- Malenkov's August speech announced special expenditure plans to increase the sale of consumer goods by 10% above the amount originally scheduled for the last three-quarters of 1953.
- The government has announced the additional expenditure of 15 billion rubles in 1953 and 35 billion rubles in 1954 for the food production required by this program.

Reallocation
of industrial
resources

- Government calls upon the defense and Aviation Industries to retool some facilities for production of limited quantities of agricultural equipment.
- Heavy industry participates to a greater extent in production of consumer goods.

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Economic
implication of
the new program

- Light industry has been given higher priorities on raw materials and labor and has been ordered to increase its output.
 - The new consumer goods program will not necessitate major cutbacks in 1952 levels of armaments and heavy industrial production.
 - It is likely that the recent suspension of work on several costly Stalinist construction projects may have been designed to permit a shift in resources to consumer goods production.
 - Government stands to gain increased popularity from new consumer goods policy.
 - Will also gain greater worker productivity through added material incentives
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